

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS
PRIORITY MAIL EXPRESS CONTRACT 42

Docket No. MC2016-208

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS CONTRACT 42 (MC2016-208)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-297

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2,
WITH PORTIONS FILED UNDER SEAL
(October 21, 2016)**

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 2, which was issued October 7, 2016. Responses were due no later than October 12, 2016. The questions are reprinted verbatim in the attached, and are followed by the Postal Service's responses, portions of which are being filed under seal. The Postal Service incorporates by reference the application for non-public treatment it originally filed in this docket for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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October 21, 2016

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 2

1. Does the Postal Service intend to state that the unit cost for Priority Mail Express delivered on Sundays and Holidays is equivalent to the unit cost for Priority Mail Express as a whole?
 - a. If so, please explain.
 - b. If not, please provide:
 - i. The volume of Priority Mail Express delivered before 10:30 AM in FY 2015, disaggregated by delivery via Letter Route, Special Purpose Route, and Rural Carriers.
 - ii. The volume of Priority Mail Express delivered on Sundays and Holidays in FY 2015, disaggregated by delivery via Letter Route, Special Purpose Route, and Rural Carriers.
 - iii. The total unit cost of Priority Mail Express on Sundays and Holidays in FY 2015.
 - iv. The Cost Segment 3 unit cost of Priority Mail Express on Sundays and Holidays in FY 2015.
 - v. The Cost Segment 6 unit cost of Priority Mail Express on Sundays and Holidays in FY 2015.
 - vi. The Cost Segment 7 unit cost of Priority Mail Express on Sundays and Holidays in FY 2015.
 - vii. The Cost Segment 10 unit cost of Priority Mail Express on Sundays and Holidays in FY 2015.

RESPONSE:

No.

a-b. [Filed Under Seal]

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2. Is the Postal Service able to provide an updated cost model for Priority Mail Express Contract 42 that reflects all of the contract's service offerings? If not, please explain.

RESPONSE:

No. As explained further in the response to Question 1(a), the Postal Service contends that using the average PME cost for the instant contract is appropriate.